

--- RC-392 - 24 Cigarettes - Series "C" - as used by "Macdonald Tobacco" - 1935-40 ---

[re: Chris Ryan's article in the "Canadian Revenue Newsletter" - # 13 - for August 1996].

"The first retail sales tax levied in Canada was actually imposed in 1935 by the City of Montreal. This municipal sales tax was authorized by provincial legislation which amended the city's charter to permit introduction of the levy as of May 1st."

"These provisions necessitated an extra cent on what was then the most popular package size for cigarettes - 25 for 25 cents. ... The resistance to the extra cent caused at least one manufacturer to reduce the cigarettes contained in the packages sold within the Montreal tax area. ... The manufacturer intended to achieve this price reduction by reducing the count of cigarettes in the package from 25 to 24. ... The latest possible date for an end ... is 1940. As of July 1, 1940 a Quebec provincial Act exempted all tobacco products from municipal and provincial sales taxes, and imposed a province-wide tobacco tax of 10%. Under this Act the twenty-five cent 25 cigarette packages were subject to a three cent tax".

The first listed example of the *twenty-four* cigarette imperforate used by "Macdonald Tobacco" is from May 1937. The hidden letters "E-E" must indicate that the die was approved early in 1935.



★ RC-392 - 24 cigarettes, imperf, mimeographed 1-10-D / 5-37 by "Macdonald Tobacco" in May 1937

--- the mimeographed cancellation reads vertically down - 7 copies to date ---

[★RC-392]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1935	---	---	---	---	---	---	---	---	---	---	---	---
1936	---	---	---	---	---	---	---	---	---	---	---	---
1937	---	---	---	---	5-37	---	---	---	---	---	---	---
1938	---	---	---	---	---	---	---	---	---	---	---	---
1939	1-39	---	---	4-39	---	---	---	---	9-39	---	---	---

The above listed *twenty-four* cigarette stamps were used in *Montreal* under their 2% municipal retail sales tax of 1935, and sold locally at 25¢ per pack. Those below, cancelled in 1940, were sold under the September 1939 Budget conditions, probably at 28¢ per pack.

[★RC-392]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1940	---	---	---	4-40	5-40	6-40	---	---	---	---	---	---

--- RC-444 - 22 on 24 Cigarette overprint by “Macdonald Tobacco” for the Budget of 1939 ---

When the wartime Budget of September 1939 increased the excise duty on *small* cigarettes from \$ 4.00 to \$ 5.00 per thousand the manufacturers, attempting to maintain the price levels on their brands, reduced their packages by one cigarette per pack of ten (or major fraction thereof) and the pre-war *Montreal twenty-four* cigarette size became a *twenty-two* cigarette 25¢ pack.

“Macdonald Tobacco” mimeographed *on-hand* sheets of the imperforate twenty-four cigarettes stamp in *violet ink* with two central parallel horizontal full width thin *killer lines*, plus an 8 mm. thin Gothic 22 at the bottom, centred between two parallel *corner killer lines*, as the company provisional C-454.



★ RC-444 - Macdonald’s 1939 overprint of 22 on 24 cigarettes, imperf, mimeographed 1-10-D / 10-39 in October 1939

[★RC-444]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1939	---	---	---	---	---	---	---	---	---	10-39	---	---

--- BABN’s **22** on 24 Cigarette 1939 overprint - as used by “Macdonald Tobacco” ---

For the September 1939 Budget, BABN overprinted the imperforate twenty-four cigarettes stamp in *black ink* with three central horizontally stacked 6½ mm. heavy *killer bars*, with a heavy 4 mm. Roman **22** at each side, plus a pair of four horizontally stacked 4 mm. *bottom corner killers* as the provisional **RC-468**.



★ **RC-468 - 22** on 24 cigarettes, imperf, mimeographed **1-10-D / 10-39** by “Macdonald Tobacco” in October 1939

[★RC-468]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1939	---	---	---	---	---	---	---	---	---	10-39	---	---
1940	---	---	---	---	---	---	---	---	---	---	---	---

It would seem that the production of the *twenty-four* cigarette package was discontinued as economically unviable under the Budget of June 1940, and was not revived by “Macdonald Tobacco” until the Budget of June 1942 was tabled, and the price was increased to 30¢ per pack.

--- 24 Cigarettes - Macdonald's mimeographed red surcharges for the June 1942 Budget ---

When the Budget of June 24th 1942 under the "Special War Measures Act" imposed an excise tax of 1¢ per five cigarettes or fraction thereof, "Macdonald Tobacco" mimeographed their *on-hand* sheets of the imperforate *twenty-four* cigarettes to read *vertically up* in two lines of typewritten *elite* 1-10-D / 5¢ as RC-527. The surcharge also occurs *doubled* reading *down* as RC-527a; and reading *vertically down* as RC-527b. There does not seem to be any budgetary significance to the orientation - which is probably by chance.



★RC-527 - reading vertically up



★RC-527a - doubled vertically down



★RC-527b - reading vertically down

Purchasing fresh sheets of from Ottawa at the increased 1942 tax rate "Macdonald Tobacco" mimeographed the imperforate *twenty-four* cigarettes in a three line typewritten *elite* 5¢ / EXCISE / TAX reading *horizontally upright* as RC-516. The surcharge also occurs reading horizontally upright but mis-aligned as EXCISE / TAX / 5¢ as RC-516a.



★RC-516 - 5¢ / EXCISE / TAX



★RC-516a - EXCISE / TAX / 5¢

Macdonald's use of the *twenty-four* cigarette size with 1942 and 1943 surcharges is interesting as it does not fit into any particular production pattern. Probably in 1942 they were marketing of a *twenty-four* cigarette 30¢ package for *across Canada* usage, since at this time they were also producing a *twenty-two* cigarette 30¢ pack which would seem to be for *Quebec* use. That "Macdonald Tobacco" continued to produce a *twenty-four* cigarette pack, is attested to by the above June 1942 red mimeographed *elite* surcharges RC-516 and RC-527, and by the production of their **10c.** / = deep blue 1943 Gothic company re-surge RC-707.

--- 24 Cigarettes - BABN's **5c. / EXCISE / TAX** surcharge for the June 1942 Budget ---

The Quebec 10% Tobacco tax of July 1st 1940 rescinding all previous municipal and Quebec provincial tobacco taxes, coupled with the 1940 Federal Budget (which led to a decrease of one cigarette per pack of ten, or major fraction thereof) caused the regular *Quebec package* of 1940 to become *twenty-two_cigarettes* selling at 30¢.

For the Budget of June 24th 1942 BABN surcharged the imperforate *twenty-four* cigarette stamp with their Gothic three line **5c. / EXCISE / TAX** as **RC-643**. The collection *does not contain* a date coded copy, but I have little doubt that the stamp was being used as a 35¢ package for *across Canada* sales by "Macdonald Tobacco". They ceased date coding their production in July 1942.



★ RC-643 - **5c. / EXCISE / TAX** on 24 cigarettes, imperf, the BABN surcharge for the Budget of June 1942

--- 24 Cigarettes - Macdonald's 10c. / = re-surcharge of RC-643 for the March 1943 Budget ---

For the Budget of March 3rd 1943 "Macdonald Tobacco" re-surfaced their *on-hand* sheets of **RC-643** with a 5 mm. deep blue Gothic 10c. with two unequal *killer bars* (4 and 8 mm.) as the Macdonald company provisional **RC-707**. Probably in 1943 it was marketing of a 40¢ package for *across Canada* usage.



★**RC-707** - 10c. over 5c. / **EXCISE / TAX** on 24 cigarettes, imperf,
the Macdonald re-surface of **RC-643** for March 1943, with two *unequal* killer bars

Lee Bandom did not list this Macdonald re-surface using two *equal* killer bars, which would have been produced on sheets of **RC-643** obtained under the March 1943 Budget rates. Probably the *twenty-four* cigarette package was discontinued after the Budget was tabled.

Legislation subsequent to the March 3rd 1943 Budget changed accounting procedures, and excise tax was now paid for stamps obtained during one month by the end of the following month. Excise stamps were supplied by Ottawa on demand, and thus there was no longer any need to make company provisional surcharges, except to *stock-on-hand* when the Budget was tabled, or as an interim measure to keep production running. Ottawa now returned their obsolete sheets to BABN for official re-surfacing.

As Macdonald Tobacco ceased code dating their production in July 1942, I have no dated record for usage of the above items. Thus I have had no indication that "Macdonald Tobacco" used the *twenty-four* cigarette *tall format* **RC-399**.

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